

**STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE**

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	APD No.: 12.06-232917J
)	
STEPHEN JAMES VOGEL and)	Matter No.: 22-00983
CORVUS CAPITAL MANAGEMENT, LLC.)	
)	
Respondents.)	

AGREED ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (the “Department”), Stephen James Vogel (“Respondent Vogel”) and Corvus Capital Management, LLC (“Respondent Corvus” together with Respondent Vogel “Respondents”) hereby stipulate and agree to the entry of this Agreed Order (“Order”), subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (the “Commissioner”), as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Agreed Order is executed by the parties for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner or Respondents from further participation or resolution of these proceedings.

3. The Respondents fully understand that this Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondents fully understand that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, against the Respondents for violations of law under statutes, rules, or regulations of the State of Tennessee which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Order by the Respondents.

5. The Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of this Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner.

AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction of this action pursuant to the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 to 48-1- . The Division is the lawful agent through which the Commissioner discharges this responsibility.

PARTIES

7. The Division is the lawful agent through which the Commissioner administers the Act pursuant to Tenn. Code Ann. § 48-1-115, and it is authorized to bring this action based on the finding that such action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, pursuant to Tenn. Code Ann. §§ 48-1-112 and 48-1-116.

8. Respondent Corvus was registered with the Division as an investment adviser firm with its principal place of business located in Tennessee from February 9, 2015, until December 31, 2022, and was assigned Central Registration Depository Number (CRD#) 174277 with the Financial Industry Regulatory Authority (“FINRA”).

9. Respondent Vogel was registered with the Division as an investment adviser representative from February 11, 2015, until December 31, 2022, and is assigned CRD # 6433636 with FINRA. He was the owner and chief compliance officer (“CCO”) of Respondent Corvus.

FINDINGS OF FACT

10. On or about October 28, 2021, the Division emailed Respondent Vogel providing him with a letter of an examination of the books and records of Respondent Corvus under the authority of Tenn. Code Ann. § 48-1-111. The letter required certain books and records information to be provided to the Division within forty-eight (48) hours, five (5) days, and fourteen (14) days.

11. The forty-eight (48) hour books and records documents were due on November 1, 2021; the five (5) days books and records were due on November 4, 2021; and the fourteen (14) days books and records were due on November 11, 2021.

12. On or about November 2, 2021, the Division notified Respondent Vogel that the Division had not received the books and records information due on November 1, 2021. On November 2, 2021, Respondent Vogel provided information pertaining to the requested books and records; however, the Division determined such information was incomplete.

13. On or about November 5, 2021, the Division notified Respondent Vogel that the Division had not received the books and records due on November 4, 2021. On November 5,

2021, Respondent Vogel provided some information pertaining to the requested books and records; however, the Division determined such information was incomplete.

14. On or about November 15, 2021, the Division notified Respondent Vogel that the Division had not received the books and records due on November 11, 2021. Respondent Vogel provided the requested books and records on November 17, 2021.

15. On or about May 13, 2022, the Division notified Respondent Vogel via email that it would conduct an on-site examination of Respondent Corvus during any date between May 16, 2022, and May 20, 2022, due to Respondents failing to respond to phone calls and email by the Division.

16. On or about May 13, 2022, Respondent Vogel was informed via telephone call of an on-site examination between May 16, 2022, and May 20, 2022.

17. At approximately 9:00 AM Central Time on or about Thursday, May 19, 2022, Division examiners arrived at Respondent Corvus' office to conduct an on-site examination. Division examiners knocked on the door multiple times and attempted to contact Respondent Vogel via phone call, email, and text message. However, the Division examiners received no acknowledgement or response from Respondent Vogel. Division examiners left the location of 9:46 AM Central Time, after having not been able to make contact with Respondent Vogel despite repeated attempts for approximately 46 minutes.

18. On May 19, 2022, at approximately 5:53 PM Central Time, Respondent Vogel, in an email, stated that he was at the Respondent Corvus' office that morning but had not heard Division examiners knocking on the door.

19. On January 14, 2022, the Division sent a letter to the informing Respondent Vogel that he had failed to timely pay his professional privilege tax for 2021, and that failure to pay the professional privilege tax would result in Respondent Vogel becoming unregistered.

After receiving no response, the Division sent a second letter to Respondent Vogel dated January 26, 2022, informing him of his failure to pay the 2021 professional privilege tax and that failure to pay the professional privilege tax would result in Respondent Vogel becoming unregistered. After receiving no response, the Division sent a third letter to Respondent Vogel dated February 18, 2022, informing him of his failure to pay the 2021 professional privilege tax and that failure to pay the professional privilege tax would result in Respondent Vogel becoming unregistered. After receiving no response, the Division attempted to send a certified letter to Respondent Vogel dated March 30, 2022, informing him of his failure to pay the 2021 professional privilege tax and that failure to pay the professional privilege tax would result in Respondent Vogel becoming unregistered. This certified letter was returned to the Division as unclaimed on or about July 29, 2022.

20. The Department's Office of Legal Counsel attempted to send a second certified letter to Respondent's office address on or about May 26, 2022, regarding Respondent failure to timely pay its professional privilege tax for 2021, and that failure to pay the professional privilege tax would result in Respondent Vogel becoming unregistered. That letter was returned to the Department's Office of Legal Counsel on or about August 17, 2022, as "undeliverable and unable to forward."

21. On or about June 3, 2022, Respondent Vogel replied to an email sent by the Division on January 17, 2022, with an attached proof of payment. The attached check was dated April 29, 2022, approximately eleven (11) months past the due date required for payment of the 2021 professional privilege tax.

22. Following the June 3, 2022, email regarding professional privilege tax payment, Respondent Vogel did not communicate with the the Division regarding the Notice of Hearing and Charges giving rise to this Agreed Order on or about August 9, 2023.

23. On or about December 31, 2022, the Respondents failed to renew their respective registrations with the Division by the deadline under Tenn. Code Ann. § 48-1-109(d)(1) and (2).

24. On or about December 21, 2023, the Respondents, by and through Counsel, provided additional documents to the Division responsive to production requests from the Division as part of the examination.

CONCLUSIONS OF LAW

25. Tenn. Code Ann. § 48-1-111 states, in pertinent part:

(a) Every registered broker-dealer and investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the commissioner by rule prescribes. All records so required shall be preserved for three (3) years unless the commissioner by rule prescribes otherwise for particular types of records.

(b) Every registered broker-dealer and investment adviser shall file such financial reports and other documents as the commissioner by rule prescribes.

...

(d)(1) All the records referred to in subsection (a) are subject at any time and from time to time to such reasonable periodic, special, or other examinations, within or outside of this state, by representatives of the commissioner, as the commissioner deems necessary or appropriate in the public interest or for the protection of investors.

26. Tenn. Comp. R. & Regs. 0780-04-03-.02(6) provides, in pertinent part:

...

(c) The following are deemed “dishonest or unethical business practices” by an investment adviser or an investment adviser representative under T.C.A. § 48-1-112(a)(2)(g), to the extent permitted under Section 203A of the Investment Advisers Act, without limiting those terms to the practices specified herein:

...

(26) Failing to provide information requested by the Division pursuant to the Act or these Rules.

27. Tenn. Code Ann. § 48-1-112 states, in pertinent part:

- (a) The commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that:
 - (1) The order is in the public interest and necessary for the protection of investors; and
 - (2) The applicant or registrant or, in the case of a broker-dealer or investment adviser, any affiliate, partner, officer, director, or any person occupying a similar status or performing similar functions:
 - ...
 - (B) Has willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or any rule or order under this part or a predecessor chapter, including, without limitation, any net capital requirements;
 - ...
 - (g) Has engaged in dishonest or unethical practices in the securities business[.]

28. By failing to maintain adequate records of their securities business activities and failing to allow for the periodic review of such records by agents of the Commissioner, the Respondents violated Tenn. Code Ann. 48-1-111(a), (b), and (d).

29. By failing to provide information requested by the Division as provided in Tenn. Comp. R. & Regs. 0780-04-03-.02(6)(c)(26), the Respondents violated Tenn. Code Ann. § 48-1-112(a)(2)(G) and the Rules of the Division.

30. The Respondent admits to the Findings of Fact and Conclusions of Law stated herein, and consents to entry of this Order.

ORDER

NOW THEREFORE, on the basis of the foregoing and the waiver by the Respondents of their right to a hearing and appeal under Tennessee securities Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 to 4-5-404, and the Respondents admission of the jurisdiction of the Commissioner, the Commissioner finds that the Respondents, for the purpose of settling this

matter, admits the Findings of Fact and Conclusions of Law, agrees to the entry of this Order and agrees that this Order is in the public interest, consistent with the purposes fairly intended by the law.

IT IS THEREFORE ORDERED, pursuant to Tenn. Code Ann. § 48-1-116, that:

1. Respondent Corvus's Tennessee Investment Adviser registration shall be **REVOKED**.

2. Respondent Vogel shall pay **CIVIL PENALTIES** in the amount of seven thousand five hundred dollars (\$7,500). The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this order must accompany payment for reference. Payment shall be made within thirty (30) days of the date this Order is entered by the Administrative Law Judge, and payment shall be mailed to:

**State of Tennessee
Department of Commerce and Insurance
Legal Division
Attn: Alex Corder
Davy Crockett Tower
500 James Robertson Parkway
Nashville, TN 37243**

3. Respondent Vogel agrees not to attempt to register as Chief Compliance Officer, owner, director, or principal of any Investment Adviser or Broker-Dealer firm for a period of **four (4) years** from the date this Order is entered by the Administrative Law Judge.

4. Respondent Vogel agrees not to hold any role in the regulatory compliance of any Investment Adviser or Broker-Dealer firm for a period of **four (4) years** from the date this Order is entered by the Administrative Law Judge.

5. Respondent Vogel agrees not to seek registration in Tennessee as an Investment Adviser Representative or Broker-Dealer Agent for a period of **one (1) year** from the date this Order is entered by the Administrative Law Judge. After the period of one (1) year, Respondent

Vogel agrees to be subjected to a Heightened Supervisory Agreement for a period of one (1) year upon reapplication and approval.

6. **IT IS FURTHER ORDERED**, this Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Act with respect to the transactions involved in the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the provisions contained herein of this Order.

7. This Order is in the public interest and in the best interests of the parties and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Respondents affirmatively state that they have freely agreed to the entry of this Order, that they waive the right to a hearing on the matters underlying this Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to them by the Commissioner, the Securities Division, or any agent or representative thereof. The parties, by signing the Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Order, are binding upon them.

8. This Order may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

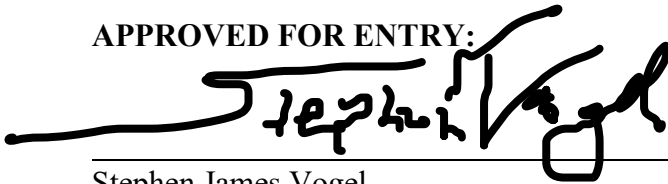
ENTERED AND EXECUTED this Jun 12, 2024.


Carter Lawrence (Jun 12, 2024 08:53 CDT)
Carter Lawrence, Commissioner
Department of Commerce and Insurance


This Agreed Order is entered and effective this _____ day of _____, 2024. Once signed by the Administrative Law Judge presiding over this matter, this matter will be **DISMISSED WITH PREJUDICE** as there are no issues remaining to be resolved. It is so **ORDERED**.

D. Kim Summers
Administrative Judge
Administrative Procedures Division
Office of the Secretary of State

APPROVED FOR ENTRY:




Stephen James Vogel
Individually, and on behalf of,
Corvus Capital Management, LLC


Elizabeth H. Bowling (Jun 11, 2024 11:57 CDT)
Elizabeth H. Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



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